Ministry of
Provincial Revenue

2003/04
Annual Service Plan Report

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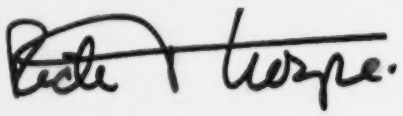
Accountability Statement

The 2003/04 Ministry of Provincial Revenue Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the ministry's 2003/04 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.

Additionally, under the *Balanced Budget and Ministerial Accountability Act*, I am accountable for achieving the following results for 2003/04:

Expected Result for 2003/04	Result Achieved
Earning $34 million in incremental (new) net revenue over the 2001/02 base year from audit and revenue compliance related activity.	$210 million

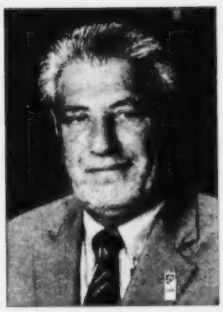


Honourable Rick Thorpe
Minister of Provincial Revenue

June 21, 2004

BRITISH COLUMBIA

Ministry of Provincial Revenue



In presenting the Ministry of Provincial Revenue service plan report for 2003/04, I am pleased to acknowledge the continuing good work of all ministry staff and congratulate them on their achievements. Having assumed responsibility for the Ministry of Provincial Revenue from Honourable Bill Barisoff on January 26, 2004 I would also like to recognize his contribution to our success in achieving the goals set out for the period covered in this report.

This year, our government delivered on its promise to introduce a balanced budget. I am pleased to report that the Ministry of Provincial Revenue has supported that goal by maintaining the fair, effective and efficient administration and collection of revenue due to government.

The government services British Columbians rely on, such as health care and education, are financed largely by revenues collected by the Ministry of Provincial Revenue. A key priority of the ministry is the continued work to develop an innovative, consolidated revenue-management system for all of government. We are in the final stages of negotiating a long-term contract with a private sector partner to develop new business processes and a leading edge information technology system for revenue management. Improved customer service and cost savings will be achieved through combining more than 40 systems across government into a central system managed by this ministry as we work toward achieving our vision of becoming a centre of excellence for revenue management in government.

In support of this priority, in 2003/04, the ministry enhanced and centralized collections and payment systems. Voluntary compliance continues to be the priority for ministry educational and outreach efforts. Successful revenue collection depends on the voluntary payment of monies due to government, balanced by audit and enforcement activity.

I look forward to building on the success the Ministry of Provincial Revenue has achieved in meeting the goals and targets as outlined in this report. We will continue to work to streamline the regulatory requirements on taxpayers and the business community to support economic growth and job creation throughout all regions of British Columbia.

Honourable Rick Thorpe
Minister of Provincial Revenue

Rick.Thorpe@gems2.gov.bc.ca

Message from the Deputy Minister

The Ministry of Provincial Revenue continued to exceed performance targets again this year. In just under three years of operation as a ministry, we have collected a total of $815 million in incremental revenue and $1 billion in overdue debt owed to government. This year, we again exceeded our targets for increasing incremental revenue, audits and collections. The revenue collected by this ministry supports the delivery of government programs such as health care and education.

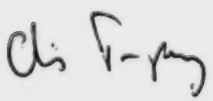
Our ongoing ability to meet and exceed our performance targets and maintain service to our clients is a result of the hard work of our staff. I would like to acknowledge all of our staff for their dedication to the MPR vision of excellence. We rely on their strengths, skills and commitment. To support staff development, we are fostering a learning environment. Almost all staff now have performance and development plans in place. We also use our online employee performance and learning system to identify priority training needs and optimize the use of training funds.

Our long-term vision remains the same: to be the centre of excellence for revenue and debt collection in government. We continue to do this through commitment, hard work and innovation. This year saw further development of the Revenue Management Project, which will transform the management of accounts receivable into an integrated, streamlined business and systems environment that enables consolidated revenue management. We are in the final stages of negotiating a contract with a long-term private sector partner.

This year, we improved our customer service in a number of ways. We improved the way we provide online services to businesses and individuals, making it even easier for them to make electronic payments. We also improved the way we provide information to help our customers understand and meet their tax and bill payment obligations.

I welcome our new minister, Rick Thorpe, and the ministry looks forward to working with him as it enters a new phase of further innovation and development. I would also like to thank our previous minister, Bill Barisoff, for his leadership through our development as a new ministry over the past two-and-a-half years.

Sincerely



Chris Trumpy
Deputy Minister of Provincial Revenue

Year-at-a-Glance Highlights

OneStop Business Registration

Working with a number of agencies, the ministry implemented enhancements to the OneStop Business Registration System which allows business owners to complete multiple government applications and change business address at one time online, as well as providing access to information on tax obligations and entitlements. Information provided during the registration process is now uploaded electronically to ministry systems, generating significant savings in terms of time and processing costs.

Revenue target

The ministry achieved $210 million in net incremental revenue in 2003/04, exceeding the target of $34 million as a result of both unanticipated, one-time revenue opportunities and improved performance. The ministry performed 184,441 audits throughout the year.

Collection results

The ministry manages approximately $451 million in overdue non-tax accounts receivables from other ministries in government, such as Medical Services Plan premiums, immigrant sponsorship debts, and others. These receivables are comprised of approximately 473,000 accounts, a 34 per cent increase from $336 million as of March 31, 2003. In addition, the ministry manages $398 million of tax accounts receivable, an increase of 16 per cent since March 31, 2003.

The ministry exceeded its annual collections target in 2003/04. Tax collections totaled $261 million in 03/04 while non-tax collections more than doubled at $82.5 million, including a record $15 million recovered through the Canada Revenue Agency set off program.

Electronic Transactions

Over 60 per cent ($6.7 billion) of the $11 billion in direct payments to the ministry in 2003/04 was received electronically. The ministry completed PC/Telephone Banking Project to automate processes and expand marketing to rural property taxpayers in time for the 2003 rural property tax billing. As a result, taxpayer participation increased significantly from 2002 levels. The Property Transfer tax can now be registered with BC Online to file property transfer tax returns and make payments electronically.

The ministry implemented an automated process to streamline the handling of undeliverable collection mail enabling returned mail to be scanned and uploaded into the collection

system automatically. Since July, 2003, the ministry has processed over 53,000 pieces of returned mail electronically.

Deregulation

The ministry eliminated a net total of 1,679 regulatory requirements in 2003/04 for a total reduction of 2,857 regulatory reductions, thus slightly higher than the overall commitment of a total 21 per cent reduction, or 2,831 regulatory requirements.

Employee Survey

An employee survey completed by 76 per cent of ministry employees in June 2003 showed that employee knowledge of the ministry (for example, familiarity with the ministry's goals, objectives and Service Plan) increased to 75 per cent from 68 per cent since 2002. The survey also showed that employee morale and satisfaction also increased slightly in 2003/04 to 80 per cent each.

Ministry Role and Services

Ministry Overview

The Ministry of Provincial Revenue provides a central service to the Province of British Columbia for revenue and debt administration and collection, billings and receivables, tax appeals, and loan administration. The ministry is responsible for administration and collection of income, consumption, resource and property taxes, as well as Medical Services Plan premiums, certain fees and outstanding debts and receivables. In 2003/04, the ministry administered $16.9 billion in revenue and receivables, representing 60 per cent of all revenues received by the Province. These revenues support important public services such as healthcare and education.

To ensure continuing high service levels to partner ministries and Ministry of Provincial Revenue customers, the ministry has worked to define accountabilities for each element of the process involved in transferring accounts receivable to the ministry for billings, remittance and collections.

As a service provider for billing, receivable and collection services, the ministry is dependent on the integrity and timeliness of information received from partner ministries. The ministry works collaboratively with partners to achieve improved results in these areas, including support to improve program delivery when possible, such as reduction of backlogs and improvements in customer tombstone information.

Ministry Vision, Mission and Values

Our Vision

We will be the centre of excellence for revenue and debt collection in government.

Our Mission

We provide fair, efficient and equitable revenue and debt collection which supports public services to meet the needs of British Columbians.

Our Values	Our Philosophy
Accountability	Provide leadership and set high expectations
	Measure and report on our performance at all levels of the ministry
Quality Service	Be accessible and responsive to our customers
	Provide excellent service
	Build and support partnerships with key customers
Innovation	Seek new ways of doing business and explore new technologies
Integrity	Behave with integrity toward customers and protect their confidential information
	Respect and trust our colleagues
Productivity	Ensure our activities add value
	Simplify our processes and activities
Professionalism	Commit to excellence and serving the public interest
	Promote teamwork and communication
	Recognize and celebrate achievement
	Pursue learning opportunities and promote personal growth

Ministry Operating Context

Changes to policy and legislation affect the collectibility of revenues and debt. For example, changes in registration or premiums may result in increased non-payment due to increased eligibility for assistance or exemptions. These types of decisions are under the sole control of the ministries which are responsible for determining how best to deliver their programs, however, the Ministry of Provincial Revenue remains flexible to adapt to changing rules and consequent changes in the collectibility of accounts receivable.

The accuracy and integrity of client identifying information maintained by program ministries is critical for revenue and debt administration and collection. Some ministries are accountable for delivering mandatory services and are not able to apply standard credit granting practices to determine whether a client should be allowed to access services (for example, Medical Services Plan registration). Other ministries provide services which are intended to serve or protect the broader public interest, regardless of the likelihood of repayment (for example social assistance overpayments). These factors must sometimes be weighed against Ministry of Provincial Revenue's mandate to maximize revenues and collections to ensure that its work is not counterproductive to the goals and objectives of other ministries' programs.

In addition to lack of control over credit granting decisions, the ministry is impacted by changes and swings in the economy. Economic declines can result in increased non-payment of obligations, while growth in the economy can generate new revenues as well as support increased revenue and debt collection. The British Columbia economy grew 2.2 per cent in 2003. Domestic activity was the main driver of economic growth last year. Consumer spending, which accounts for about two-thirds of all economic activity in the province, benefited from continued low interest rates and robust employment growth. In 2003, housing starts recorded significant growth of 21 per cent and the British Columbia economy posted average annual job growth of 2.5 per cent. Overall, growth in business investment accelerated to 8.2 per cent, mainly reflecting strength in the residential construction sector. The Canadian dollar appreciated rapidly in 2003 and the higher value of the currency had a significant impact on the trade sector. As a result, export growth was limited to 0.5 per cent growth in 2003, while imports grew a stronger 4.3 per cent.

Ministry Structure and Core Business Areas

Core Business Area

Tax Administration and Collection

The ministry provides fair, efficient, professional and equitable administration of tax, revenue and benefit programs to ensure that government receives the revenue it is due through compliance with taxation, energy and forest revenue statutes. The ministry works with taxpayers and businesses to promote voluntary compliance through quality customer service, education and compliance programs. The ministry represents British Columbia with the Canada Revenue Agency (CRA) and the Canadian Border Services Agency (CBSA) with respect to the taxation statutes that the CRA administers on behalf of the province, and also handles the collection of taxes for other agencies such as the Greater Vancouver Transportation Authority and local governments. Revenues assessed as a result of tax administration programs support vital public services such as health and education.

Tax Administration and Collection Resource Summary	Actual
Operating Expenses	
Gross ($000's)	$49,688
Recoveries ($000's)	($47,212)
Net ($000's)	**$2,476**
FTEs	626

Debt Administration and Collection and Home Owner Grant

The ministry is the central collector for overdue non-tax debts owed to the Province. The ministry provides collection and loan management services to other government ministries and Crown agencies, assisting them to collect overdue money owed by individuals or businesses, and is the provincial administrator for the Canada Revenue Agency set-off program. These services ensure that all British Columbians and businesses are meeting their legitimate obligations and operating on a level playing field. Debt administration and collection ensure that government is receiving the amounts owed by individuals for their usage of government programs and services.

The ministry also administers the Home Owner Grant Program which provides a grant to residents in relation to their property taxes. The ministry ensures that it is administered in a fair and equitable manner, has the authority to consider appeals, audits grant claims and recovers ineligible grants.

Debt Administration and Collection and Home Owner Grant Resource Summary	Actual
Operating Expenses	
Gross ($000's)	$13,157
Recoveries ($000's)	($12,656)
Net ($000's)	**$501**
FTEs	107

Executive and Support Services

This includes the Minister's Office and Strategic Initiatives and Administration Division, which performs corporate functions and provides strategic support to the ministry.

The ministry provides a central government function to receive payments, process transactions, and deal with inquiries for billing and payment related issues. The ministry performs several major functions including: payment and data capture; enquiry/call centre operation; financial account maintenance; and program transition and internal customer services. These services ensure that British Columbians and businesses are receiving accurate and timely information about their obligations and how they can meet them.

The ministry reviews tax and revenue-based appeals separately from the tax revenue and administration function. The Appeals Branch core functions include receiving appeals to the minister; analyzing the basis for assessments, disallowance of refunds or decisions; analyzing the grounds for appeal; gathering additional information and/or documentation; contacting taxpayers to ensure full understanding of their position; assessing the merits of appeals; making recommendations to the minister regarding disposition of appeals and managing litigation arising from appeals. The Appeals Branch ensures that individuals and businesses have access to affordable and timely remedies to address their concerns about their tax obligations.

Executive and Support Services Resource Summary	Actual
Operating Expenses	
Minister's Office ($000's)	$349
Strategic Initiatives and Administration ($000's)	
Gross ($000's)	$46,845
Recoveries ($000's)	($1,390)
Net ($000's)	**$45,455**
FTEs	191

Strategic Shifts and Significant Changes in Policy Direction

To mitigate the impacts of external influences such as economic shifts and information quality on ministry achievement of Service Plan goals and objectives, the ministry has embarked on a major initiative to consolidate the close to 40 different accounts receivable systems in government to improve revenue and debt administration and management. The Revenue Management Project is intended to maximize the expertise of a private sector partner in creating a single revenue management system with attendant wrap-around services to improve customer service, enhance efficiency in revenue management, and reduce accounts receivables and improve collections across all government programs. This will better enable government to weather external changes affecting revenue and debt, and make it easier for British Columbians to understand and meet their obligations.

Performance Reporting

Overview of Ministry Goals

Goal 1: Maximize voluntary compliance

Voluntary compliance means customers take responsibility to pay their obligations without requiring the ministry to enforce payment. Voluntary compliance is the best means of collecting revenue and debt. There are many initiatives the ministry can pursue to improve services and maximize voluntary compliance.

Core Business Area

- Tax Administration and Collection
- Executive and Support Services

Goal 2: Collection of all outstanding amounts owed to government

When a taxpayer fails to remit amounts owed to government, the ministry undertakes audit and enforcement activities. These activities assist in ensuring amounts owed are collected, deter customers who might otherwise avoid paying, and link directly to Goal 1 as a key factor in increasing voluntary compliance.

Core Business Area

- Tax Administration and Collection
- Debt Administration and Collection and Home Owner Grant

Goal 3: Fair, efficient and equitable administration that meets customers needs

The ministry is committed to meeting customers' needs by improving the regulatory and administrative frameworks for tax and debt collection. The ministry will make improvements to ease the administrative burden on customers and to enhance the business climate within British Columbia.

Core Business Area

- Tax Administration and Collection
- Debt Administration and Collection and Home Owner Grant
- Executive and Support Services

Goal 4: Continuous performance improvement and accountability

With the new ministry's focused mandate, an opportunity exists to strengthen the organization's infrastructure, effectiveness and accountability for its performance.

Core Business Area

- Tax Administration and Collection
- Debt Administration and Collection and Home Owner Grant
- Executive and Support Services

Goal 5: Highly skilled, motivated and innovative employees

As an organization that wants to continue to excel, the ministry relies on the strength, skills and commitment of its staff. The ministry will be nurturing a learning environment, with staff development focused on key competencies and addressing succession issues.

Core Business Area

- Tax Administration and Collection
- Debt Administration and Collection and Home Owner Grant
- Executive and Support Services

Report on Results

Goal 1: Maximize Voluntary Compliance

Voluntary compliance means British Columbians are taking responsibility to pay their obligations without the ministry pursuing payment. Voluntary compliance is the most effective and efficient means of collecting revenue and debt. A major focus of the ministry is to ensure British Columbians are able to easily access information about their obligations and have access to a number of channels to meet these obligations. The provision of educational material in printed or electronic form provides British Columbians with clear understanding of their obligations, filing due dates, methods of filing and payment and contact information for questions. In addition, performing audits provides a strong non-compliance deterrent.

The ministry has measured its success in achieving this goal in a number of ways, including reporting on the percentage change in the number of on-time payments, the number of "visitors" to its Web site and the number of audits performed, which provides opportunities for ministry staff to provide information to individuals and businesses about their tax obligations. Changes in on-time payments reflect taxpayers' understanding of their obligations while visits to the ministry web site reflects their understanding of how and where to gain further information.

Goal 1: Maximize Voluntary Compliance	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Executive and Support Services					
Objective: Maximize use of new electronic technologies to facilitate ease of transactions					
Key Strategy: Implement a strategic plan for the deployment of e-services to support program areas and government direction	e-service strategic plan and supporting policies developed by June 30, 2003	New Initiative	Complete	Partially completed, final development and implementation deferred to occur as part of Revenue Management Project	See Note 1
	Deploy e-services strategic plan	Per cent of plan deployed	0%	0%	N/A

Note 1: E-Service Strategic Plan has been incorporated into the revenue management solution with a private sector partner that includes ministry-wide e-services.

Goal 1: Maximize Voluntary Compliance	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Tax Administration and Collection					
Objective: Maximize use of new electronic technologies to facilitate ease of transactions					
Key Strategy: Leverage electronic service delivery to provide self-service access to information	Number of visitors to websites	300,000	340,000	661,438	+321,438
Objective: Quality services that promote and respond to customer's needs by helping customers understand their obligations and entitlements, and pay the correct amount on time					
Key Strategy: Increase taxpayer acceptance of their responsibilities to pay tax/debt obligations	Percentage of on-time tax payments	85%	85%	82.4%	2.6 See Note 2

Note 2: The decrease in on-time payments results primarily from a decrease in the on-time returns of nil remitters under the hotel and social service taxes. The on-time return rate for remitters who were obligated to make a payment for the reporting period was over 85 per cent.

Goal 2: Collection of all outstanding amounts owed to government

When a taxpayer does not remit amounts owed to government, the ministry undertakes audit and enforcement activities. These activities assist in ensuring that the taxes owed are collected, deter taxpayers who might otherwise avoid paying, and link directly to Goal 1 as a key factor in increasing voluntary compliance. Performance measures used to evaluate achievement of this goal include the net incremental revenue target, which is the amount of revenue, mainly from taxes, collected after the ministry has initiated enforcement action minus expenditures. A substantial amount of revenue is derived from out-of-province audit assessments, which ensures that British Columbia businesses are not at a tax disadvantage to their out-of-province counterparts operating in the province.

Goal 2: Collection of all outstanding amounts owed to government	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Tax Administration and Collection					
Objective: Collect and increased net amount annually through audit and enforcement activities					
Key Strategy: Maximize monies received through audit, and enforcement activities	Incremental (new) net revenue over the 2001/02 base year	$7 million	$34 million	$210 million	+ $176 million See Note 3
	Number of audits performed	145,000	148,000	184,441	+ 36,440 See Note 4

Note 3: Greater than expected achievement on incremental revenues result from a number of factors, including the variability of some revenues, certain extraordinary revenues resulting from new audit and enforcement activities, increased success in assessing revenues as a result of focused attention to areas such as the underground economy, and other factors. Extraordinary revenues include unanticipated recoveries in Corporation Capital Tax, income tax residency allocations and corporate income tax allocations, gas validations and produces Cost of Service Approvals.

Note 4: The ministry focuses audits in those areas where there is a greater likelihood of non-compliance. Audits provide the taxpayer with a clear understanding of their tax obligations and serve as a strong non-compliance deterrent.
In fiscal 2002/03, the ministry actually performed 194,104 audits.

Goal 2: Collection of all outstanding amounts owed to government	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Note 5 **Debt Administration and Collection and Home Owner Grant** **Tax Administration and Collection**					
Objective: Reduce key overdue accounts receivable ratios					
Key Strategy: Continue to improve collection tools and approaches	Ratio of total government overdue (> 90 days) total accounts receivable to total government accounts receivable (See Note 6)	45%	42%	40%	-2%
Core Business Area: Tax Administration and Collection					
Objective: Government receives the revenue it is due through compliance with tax revenue statutes					
Key Strategy: Focus resources on tax audit function	Average annual tax assessment per auditor	$510,000	$520,000	$924,000	$404,000 See Note 7
Improve collaboration across to pursue joint tax enforcement activity	Annual overdue account receivable tax revenue per collector	$2.6 million	$2.7 million	$4.3 million	+$1.6 million See Note 8

Note 5: The ministry over 90 days accounts receivable target was set on the basis of a consolidated measure, which is the way it is reported, although in the 2003/04 Service Plan the measure was mistakenly split in to tax and non-tax accounts receivable.

Note 6: Reductions in the overdue accounts receivable ratio indicate that a greater proportion of the total debt owed to government is being paid before it becomes more than 90 days overdue.

Note 7: Auditor assessments result in increased incremental revenues (those revenues which are generated as a result of ministry activity, as opposed to voluntary revenues). Average auditor assessments may increase as a result of one-time revenue opportunities, which in turn contribute to higher than anticipated performance in the ministry's incremental revenue target for 2003/04 (see Appendix A). Higher collector recoveries may also occur during periods of unusually high incremental revenues. In comparison, the 2002/03 annual assessment per auditor was $1.1 million. When extraordinary recoveries are removed from the results, the 2003/04 average annual assessment per auditor was $645,505 against a target of $520,000.

Note 8: Higher collector recoveries may also occur during periods of unusually high incremental revenues.

Goal 3: Fair, efficient and equitable administration that meets customers' needs

The ministry is committed to meeting customers' needs by improving the regulatory and administrative frameworks for tax and debt collection. The ministry has streamlined and simplified processes to ease the administrative burden on taxpayers and to enhance the business climate within British Columbia. Activities undertaken this year include the initiation of a joint solution procurement process to select a private sector partner to assist the ministry with the Revenue Management Project, which will centralize the management of all government accounts receivables, and the elimination of 1,679 regulatory requirements. Additionally, the ministry continues to consolidate overdue accounts receivable portfolios in conjunction with partner ministries and reduce the time it takes to resolve an appeal by a taxpayer.

Goal 3: Fair, efficient and equitable administration that meets customers needs	**Performance Measures**	**2002/03 Base**	**2003/04 Target**	**2003/04 Actual**	**Variance**
Core Business Area: Debt Administration and Collection and Home Owner Grant					
Objective: Continue to consolidate non-tax overdue accounts receivable					
Key Strategy: Explore new transfer opportunities with other ministries	Number of programs transferred each year	35 programs	One program	One program	N/A
Core Business Area: Executive and Support Services					
Objective: Establish an integrated, streamlined business and systems environment that enables consolidation of revenue management					
Key Strategy: Implement integrated Revenue Receivables Management System	Achievement project plan milestones	10% (Formal project initiated and approved	35%	Completed substantive work on selection of joint solution procurement process	See Note 9

Note 9: The ministry is working with a private sector partner to confirm a partnership to support consolidation of revenue management systems across government and improved customer service. Based on the work in 2003/04, the partnership is projected to commence in 2004/05.

Goal 3: Fair, efficient and equitable administration that meets customers needs	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Ministry					
Objective: Improve the tax appeals process for administrative fairness and due process					
Key Strategy: Improve timeliness of tax appeal process to produce final decisions	Elapsed time from receipt of appeal to final decision	11.4 Months Restated	11.4 Months Restated	11.7 Months	+0.3 Months See Note 10
Objective: Reduced legislative and administrative requirements and streamlined procedures					
Key Strategy: Eliminate unnecessary regulatory burden	Meeting annual regulatory reduction target from a baseline of 13,460 requirements	8%	13%	13%	0%

Note 10: The volume of appeals was higher than predicted, resulting in increased processing time. Actions are underway to reduce appeal times and to be responsive to customers' needs.

Goal 4: Continuous performance improvement and accountability

The ministry continues to strive for improved performance and customer service. This goal reflects the opportunities afforded by a focused mandate to strengthen the organization's infrastructure, effectiveness and accountability for performance. Two of the key indicators of success in achieving this goal are measures of the number and value of revenue transactions that are collected electronically, both of which are indicators of organizational efficiency as well as meeting customer needs.

Goal 4: Continuous performance improvement and accountability	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Ministry					
Objective: Continuously improve and simplify work processes					
Key Strategy: Leverage capacity and economies of scale to increase efficiencies	Percentage of receipts for tax, accounts receivable and non-tax overdue accounts receivable made electronically	31%	31%	47.5%	+16.5% See Note 11
	Percentage of revenue for tax, accounts receivable and non-tax overdue accounts receivable made electronically	21.2%	21.2%	57.7%	+36.5% See Note 11
Key Strategy: Determine evaluation approach	Compare cost of collection agency to ministry cost to collect overdue accounts receivable		Complete cost evaluation	On hold pending implementation of a new collections model under RMP in 2004/05	See Note 12

Note 11: Ministry success in promoting more efficient and effective channels of information and payment is reflected by the number and value of transactions performed electronically. This means that customers are eager to utilize new channels of payment, and reduces ministry resource commitments to process such payments.

Note 12: This evaluation was put on hold pending negotiations on the Revenue Management Project, which includes a variety of services designed to enhance and improve collections.

Goal 4: Continuous performance improvement and accountability	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Executive and Support Services					
Objective: Continuously improve and simplify work processes					
Key Strategy: Identify best practices and develop benchmarks with jurisdictional revenue management agencies	Reduce current receipt to deposit turnaround time	4 days	3 days	3 days	0%
	Reduce the current cost per transaction	Benchmark of $0.68 per transaction	$0.68	$0.82	-$0.14 See Note 13

Note 13: The original target of $0.68 per transaction did not capture all costs associated with transaction processing. The target for the 2004/05 to 2007/08 has been restated to $0.82 to reflect a more transparent and accurate methodology.

Goal 5: Highly skilled, motivated and innovative employees

The ministry relies on the strength, skills and commitment of its employees. The ministry is working towards creating a learning environment with staff development focused on key competencies and addressing succession issues. The establishment of individualized development and learning plans is a key component of a supportive and innovative working environment.

Goal 5: Highly skilled, motivated and innovative employees	Performance Measures	2002/03 Base	2003/04 Target	2003/04 Actual	Variance
Core Business Area: Ministry					
Objective: Recruit and retain skilled employees who excel in a team environment					
Key Strategy: Promote Ministry as an employer of choice at career fairs	Number of career fairs attended	4	6	1	-5 See Note 14
Develop performance and learning plans for all staff	Percentage of staff with performance and/or learning plans	50%	75%	95%	+20%
Objective: Foster a work environment that encourages motivated and creative employees					
Key Strategy: Encourage an innovative and creative workplace that supports change	Percentage of management trained in change management	40%	70%	95%	+25%
Objective: Develop a strong ministry identity					
Key Strategy: Build a common understanding of ministry roles, purpose, vision	Percentage of new staff who have attended employee orientation sessions	75%	100%	Not yet available	See Note 15
Develop leadership skills at all levels	Percentage of completed leadership learning/training plans	50%	75%	95%	+20%

Note 14: The target was established to address need for hard to fill positions, such as auditors, but experience with recruitment over the year showed that other means of recruitment were more successful and resource commitment to attend career fairs was not justifiable.

Note 15: Training sessions discontinued with relocation of human resources staff support through government-wide centralization of these services to create the BC Public Service Agency. An online orientation package is being developed to replace the former service. Orientation binders developed in-house being distributed to branches for use in new employee orientation.

Deregulation

The ministry has eliminated over 2,800 of 13,478 regulatory requirements since the start of the deregulation program in June 2001. This represents a 12 per cent decrease in legislative, regulatory and policy requirements. In 2003/04, the ministry initiated a project to improve customer service by streamlining reporting requirements and making the completion of required forms easier. During the fiscal year, MPR eliminated 1,673 regulatory requirements resulting in significant reductions in the amount of information required of taxpayers. Included in this number is the elimination of over 600 regulatory requirements associated with filing fuel taxes made possible by the development of a generic fuel tax return. Also, in November of 2003, the ministry undertook an exhaustive and comprehensive analysis of all ministry forms, policies, procedures and regulations. This review concluded that the ministry can exceed its deregulation target of 21 per cent (2,930 reductions; 22 per cent) without jeopardizing the collection of revenues.

Going forward, the ministry will continue to focus on implementing customer service improvements by streamlining and simplifying reporting processes and the ongoing review of regulations. The ministry remains committed to ongoing streamlining and simplification of its processes and requirements of taxpayers and customers.

Report on Resources

Resource Summary by Core Business Areas, 2003/04

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000's)					
Tax Administration and Collection					
Gross	49,837	42	49,879	49,688	191
Recoveries	(47,212)	0	(47,212)	(47,212)	0
Net	2,625	42	2,667	2,476	191
Debt Administration and Collection and Home Owner Grant					
Gross	11,552	2,500	14,052	13,157	895
Recoveries	(11,551)	(2,500)	(14,051)	(12,656)	(1,395)
Net	1	0	1	501	(500)
Executive and Support Services					
Minister's Office	430	0	430	349	81
Strategic Initiatives and Administration					
Gross	46,561	2,758	49,319	46,845	2,474
Recoveries	0	(2,800)	(2,800)	(1,390)	(1,410)
Net	46,561	(42)	46,519	45,455	1,064
Gross before Recoveries	108,380	5,300	113,680	110,039	3,641
Total Recoveries	(58,763)	(5,300)	(64,063)	(61,258)	(2,805)
Ministry Total	49,617	0	49,617	48,781	836
Special Account	25	0	25	0	25
Total	**49,642**	**0**	**49,642**	**48,781**	**861**

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Full-time Equivalents (FTEs)					
Tax Administration and Collection	659	1	660	626	34
Debt Administration and Collection and Home Owner Grant	111	0	111	107	4
Executive and Support Services	218	(1)	217	191	26
Total	**988**	**0**	**988**	**924**	**64**
Ministry Capital Expenditures (CRF) ($000's)					
Tax Administration and Collection	0	0	0	108	(108)
Debt Administration and Collection and Home Owner Grant	760	0	760	893	(133)
Executive and Support Services	8,974	0	8,974	5,317	3,657
Total	**9,734**	**0**	**9,734**	**6,318**	**3,416**
Other Financing Transactions ($000's)					
Tax Administration and Collection					
Receipts	923,400	0	923,400	913,319	(10,081)
Disbursements	927,100	0	927,100	913,077	14,023
Net	(3,700)	0	(3,700)	242	3,942
Debt Administration and Collection and Home Owner Grant					
Receipts	75	0	75	103	28
Disbursements	40	0	40	27	13
Net	35	0	35	76	41
Total Net	**(3,665)**	**0**	**(3,665)**	**318**	**3,983**

Note: The 'Estimated' amounts corresponds to the *Estimates* as presented to the Legislative Assembly on February 18, 2003. See Service Plan 2003/04–2005/06.